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The Future of Capitalism: Trends, Scenarios and Prospects for the Future

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Abstract

The paper provides a framework for thinking about how the question of the future of capitalism might be addressed. One of the problems resides in the very definition of capitalism and of what its defining features consist and whether we should be talking about 'capitalist society' or the 'capitalist economy' or some kind of post-capitalist condition. Following Polanyi, Castoriadis, and Habermas, it is argued that capitalism and democracy together constitute the defining dynamics of modernity and that the resulting tensions will provide momentum for the main circuits of potential change. Five scenarios for looking at the future are discussed. These will form the main substance of the paper: varieties of capitalism, systemic crisis of capitalism, catastrophic collapse, low growth capitalism, post-capitalism. In conclusion, it is argued that there are various possibilities that can be understood in terms of transitions, breakdown, or transformation, but a likely future trend will be less the end of capitalism than the harnessing of 'super-capitalism' and that there are limits to the accumulation of capital.

Keywords:

Capitalism, democracy, Marx, modernity, neo-liberalism, Polanyi, Schumpeter, Varieties of Capitalism, Weber,

What is the future of capitalism? Does it have a future? Indeed, we might ask does the future have a future? Are there alternatives to capitalism and do they have a future or will capitalism also devour them? It is clearly not possible to answer the question of the future of capitalism with the certainty that might have been possible in the nineteenth century when alternative scenarios of modernity were possible and when one of these prevailed for almost a century. Unlike in 1818, when Marx was born, today every society in the world is beholden to capitalism.

The aim of the article is to provide a framework for thinking about how the question of the future of capitalism might be answered. One of the problems resides in the very definition of capitalism and of what its defining features consist. I will begin with some reflections on defining capitalism as a problem. This leads to a more general reflection on whether we should be talking about 'capitalist society' or the 'capitalist economy' or some kind of post-capitalist condition or 'informational society' (see Fuchs 2013). A tentative answer to these

questions will lead me to discuss the extent to which capitalism, in some sense, is the defining condition of our time. I argue that it is not, albeit it is integral to the self-understanding of the present, which is also animated by democracy. I argue (following Polanyi, Castoriadis, Habermas) that capitalism and democracy together constitute the defining features of the present day and that the resulting tensions will provide momentum for the main circuits of potential change. This is because capitalism is more than an economic system; it is deeply embedded in other social, cultural and political processes. For this reason, the question of capitalist crisis has to go beyond a purely systemic level of analysis whereby the economic level is separated from other dimensions.

On this basis, five scenarios for looking at the future are discussed. These will form the main substance of the paper: varieties of capitalism, systemic crisis of capitalism, catastrophic collapse, low growth capitalism, post-capitalism. In conclusion, it is argued that there are various possibilities that can be understood in terms of transitions, breakdown, or transformation, but a likely future trend will be that capitalist accumulation will be curtailed and that there are limits to the accumulation of capital.

Defining Capitalism

Definitions of capitalism have varied greatly since the advent of the term in the late nineteenth century. The *Communist Manifesto* in 1848 used the term the 'bourgeois mode of production' and 'modern bourgeois society', not capitalism. Marx later wrote of the 'capitalist era' and the capitalist 'mode of production' to refer to the emerging shape of the modern economy and of societal transformation more generally. When the term capitalism came into common currency in the twentieth century, its use revealed a political perspective on the desirability and permanence of capitalism as opposed to socialism. Marxist influenced approaches saw capitalism as a pervasive social and economic condition that would come to an end one day, while the defenders of capitalism preferred to see the modern economy in terms of free enterprise or the free market as part of a wider condition of liberty. In many sociological accounts, as in the writings of Raymond Aron (1968), the notion of industrial society was the preferred term to capitalism. Any prognosis of the future of capitalism will need to establish clarity on what it means and what are its core elements. This is not just about a narrow preoccupation with definitions, but of agreement on some of the defining feature of capitalism and, I argue, critically, whether capitalism refers to the modern economy *per se* or to society.

The general tendency in modern sociological theory is to see the economy as a subsystem of modern society, which, while not reducible to the economy, is very much shaped by it. This is most evident in Parsons and the functionalist traditions where the emphasis is placed on the economy as the market. For Weber, in contrast, capitalism is an expression of more general trends in rationalisation which culminate in the societal condition of an 'iron cage' of universal rationalism. Nonetheless, despite their differences, for these classical theories capitalism is a modern society and based on the centrality of markets. This is also the case with Polanyi in this account of the 'Great Transformation' that saw markets becoming disembedded from traditional social institutions. I believe Marx's original insight is still valid, namely that the modern capitalist economy is more than a market; it is primarily a system of production that has a determining effect over the rest of society and, as a mode of

production, it became the dominant one since the sixteenth century, making possible the modern capitalist era. Nevertheless in the Marxist analysis, the status of the wider category of society is unclear and confusingly, as Williams (1976: 50-2) noted, is sometimes 'bourgeois society' but also incorporates the capitalist mode of production. In all these classical accounts, including the seminal contributions of Simmel, Sombart and Schumpeter, the term capitalism is highly ambiguous. Either it is a term to refer to modern western society as a whole or a term to refer to the modern economy or a part of it.

Clearly Marx's legacy is to see modern society increasingly shaped by the capitalist economy which has transformed social relations through the progressive extension of exchange values into all social spheres. Thus for Marx capitalism refers to more than the economy but to a kind of society, a social formation. Marx's account sees capitalism as an economic system, a mode of production that is based on the labour market and the unrelenting pursuit of profit, which is privately appropriated. The strength of the Marx's approach is that capitalism is a dynamic and destructive system that has created self-perpetuating forces that seeks the maximisation of profit and the conversion of everything into exchange values. Capitalism is an insatiable system of production and valorisation that makes everything transferable into commodified forms that serve the accumulation of capital. The notion of Capital is thus the primary condition of capitalism and can be seen as a condition or force that is neither entirely economic nor just only social. In this respect, the core insight of Marx remains relevant, namely that capitalism is based on the accumulation of Capital. We can add to this that while not necessarily a necessary feature of capitalism, it has been a destructive force in the world in both the positive (removing the vestiges of feudalism) and negative senses of the term. The violent history of capitalism over nature and social life has dominated.

Now, while the analytical basis of this account in Marx resides in the Labour Theory of Value, which holds that the potential for production is greater than what the worker gets as a wage, the history of capitalism reveals a more complicated story than one that essentially is based on an account of the exploitative buying of formally free labour for the production of commodities. As Schumpeter and the Frankfurt School theorists argued, the result of the buying and selling of labour does not lead inexorably to the immiseration of the proletariat. Indeed, the opposite has often been the case and which accounts for the relative success of capitalism in warding off political challenges that come from deprivation and exploitation. The history of the modern class system and social inequalities, in any case, can no longer be seen only in terms of nationally delineated societies where production and consumption coincide. Today, these are part of a global system that began with imperialism, as Wallerstein (2010) has argued. For Marx, Capital – the logic of accumulation and appropriation – is more important than capitalism as an economic system based on wage labour and the class system.

Conceiving capitalism in terms of the destructive logic of the accumulation of Capital goes some way to answering the problem of what is capitalism and whether it is an economic system or another term for modern society. The upshot is that capitalism is a system of social relations that has commodifying effects. These social relations are not confined to the relation between workers and capitalists or relations confined to the economic system but pervade the social and political forms of society.

Capitalism and Modernity: Is Capitalism the Defining Feature of Our Time?

So far the conclusion is that capitalism cannot be seen as residing in a specific sphere such as the economy and is therefore not reducible to the modern economy or market. It also has a wider cultural significance, which for Arnason (2016) has a civilisational dimension to it. Since Weber, Simmel and Schumpeter through the Frankfurt School to Jameson, capitalism has been theorised as having a cultural logic that brings it out of the economic domain. For Weber, capitalism ‘is the most fateful force in our modern life’ (Weber [1920] 1978: 17). It is driven by a ‘spirit’ that has come to shape the modern world in ways that go beyond the economic foundations of capitalism as an economic system. Marcuse (1964) argued capitalism had become the ideology of a one-dimensional society that could no longer conceive of an alternative. As Boltanski and Chiapello (2006) have shown, the spirit of capitalism is itself not immutable, but changes over time and that capitalism will always find a spirit to provide it with justifications and motivations (see also Konings 2015). What conclusion can we draw from this? Is contemporary society defined by some kind of spirit of capitalism that goes beyond the realm of economic activity to encompass the fabric of society? Has the global diffusion of capitalism over the past century to become more or less the only economic system in the world, led to its final triumph over history?

If this is the case and capitalism is the only game in town, it is very difficult to conceive of the end of capitalism. However, if capitalism is seen as part of modernity, rather than the primary condition of modernity, a different perspective is opened up. For this to be a viable position, the distinction between society and economy must be upheld. Capitalist accumulation may be the primary form of the modern economy – as both a mode of production, a market system and forms of consumption – but the social is not only defined by economic forces, however dominant they are. We must not lose sight of the fact, recognised by Marx, Weber and Schumpeter, that capitalism seeks to satisfy human needs and in doing so, as Marcuse argued, it creates new needs, which are met by the culture industry. Baudrillard (1981) brought this further with the argument that in the end there are no needs or use values that exist outside the capitalistic system of exchange values. In any case, in so far as it is part of, what Hegel called the ‘system of needs’, it is inextricably tied to forces that go beyond its institutional forms. In almost every account of the rise of capitalism, there is a general recognition that capitalism as an economic form cannot be separated from wider societal processes.

Polanyi’s account, while flawed in many ways, shows how the formation of capitalism occurred through the disembedding of markets from established social and cultural institutions which consisted of largely segmented markets (Polanyi [1944]). The self-regulating market that gained victory in the nineteenth century around the competitive labour market, the gold standard, and international free trade, was unable to sustain itself. Aside from requiring an interventionist state to enable it to gain dominance, it provoked a counter-movement by the end of the century. For Polanyi, capitalist societies entail a ‘double movement’ around disembedding and embedding. Thus, socialism and its various offshoots, including the Chartist movements, trade unionism, social democracy etc, seek to subordinate the economy to democracy. This dialectical view of modern society was also the basis of Marx’s theory of class conflict as an integral part of capitalism.

Theories of modernity vary greatly depending on the weight given to its economic, political or cultural currents. This is not the place to survey these debates (see Wagner, 2012). In the present context the key question is the significance of capitalism, as the main form of

economic modernity, in relation to other currents, of which democracy is of particular importance. While it cannot be said to be the final word on modernity, one of its major expressions has been in the conflict between capitalism and democracy. It is possible, following Castoriadis (1989), to see both of these as expressions of imaginary significations that, as argued by Arnason (1991, 2003), produce civilizational configurations. Theorists of modernity have drawn attention to many features of the condition of modernity and there is little consensus on what it entails other than that it takes a variety of forms. There is, however, agreement that modernity is not reducible to capitalism and wider processes of instrumental rationality, as in the writings of Weber and the Frankfurt School, and that it also takes other political and cultural forms. Of these democracy is possibly the most important as the concrete and long lasting legacy of modernity. This is not to neglect the fact that there have been major experiments with modernity that were not primarily products of democracy or even of capitalism, as the twentieth century history of Soviet communism attests (Arnason 1993) and not forgetting the shorter lived fascist experiments. While the history of modern societies bears testimony to many different trajectories of modernity, there can be no doubt that in the present day the two most fateful forces are those of capitalism and democracy. It is possible to view these forces in more general terms, as in the social theory of Habermas for whom modernity is essentially a struggle between instrumental rationality and communicative rationality or a conflict between system and life world (Habermas, 1984 and 1987). Touraine (1995) offered a similar framework in terms of a conflict at the heart of modernity between Reason and the Subject (see also Touraine, 2014). In this way as the destructive forces of capitalism colonise the social world they meet with resistance drawn from other currents in modernity. As Wagner (2012: 81-106) has argued, democracy sits in a relation of tension with capitalism, but in many of its forms – as for example ‘democratic capitalism’ in the post 1945 period in western societies – it has also accommodated capitalism by reducing its potential challenges around equality and inclusion. However, in line with this argument and Marx’s own vision of the future, capitalism does not remove opposing forces but in fact increases the scale of counter-currents. Therein resides the sources of its demise.

While a definitive answer to the question whether capitalism is the defining feature of our time is probably impossible, the argument given in this article is that whatever the answer, consideration must be given to the field of tensions in which capitalism operates. It was argued in the foregoing that capitalism cannot be seen as entirely encased within the economic sphere of society and, as the legacy of Marx shows, is embedded in social relations and produces systemic crises that have the effect of constantly transforming the social fabric of societies. Capitalism meets with resistance and thus is inextricably bound up with political modernity, of which, as argued, democracy is one of the most significance forms.

Since the early 1980s when neoliberalism entered mainstream politics, it gained ideological supremacy in many parts of the world and could be said to be the dominant ideology of contemporary societies. The celebration of *homo economicus* – as embraced by postcommunist regimes, right-wing governments in Latin America in the 1980s, the PRC – can indeed be viewed as the final victory of capitalism. However, the theoretical perspective offered here – influenced by the diverse approaches of Castoriadis, Touraine, Polanyi and Habermas – would see capitalist ideology, such as the neoliberal doctrine of the free market, as entangled in counter-vailing forces. Democracy – in the wide sense of popular movements

for social justice – remains a powerful force in the world, often resisting capitalism, but too supporting capitalism and in many cases being co-opted by capitalism, as Nancy Fraser (2013) has argued. Democracy and capitalism have existed in various degrees of tension, ranging from co-existence – as in democratic capitalism or liberal democracy – to outright antagonism, as in anti-capitalist protest movements (Bowles and Gintis, 1986). More or less every democracy (letting aside premodern forms of democracy) has been capitalist. The confluence of both can be accounted for by the fact that democracies require wealth creation and capitalism has been able to deliver enough for many democracies to thrive and settle with capitalism. While capitalist societies – China and Chile under Pinochet – do not have to be democracies, they cannot entirely eliminate the quest for democracy.

A tentative answer to the question, then, whether capitalism is the defining feature of our time must take into account the fact that capitalism exists in a state of perpetual crisis as it collides with other social processes. As David Harvey (2010), following Marx, has shown, capitalism is not a static system but produces on-going crises. The history of capitalism is a story of one crisis leading to the next. This is because of its tendency towards violent destruction, beginning with the destruction of nature. By placing capitalist crisis at the centre of the analysis, it can be shown that in a longer historical perspective – at least from the perspective of western societies – there were four major moments of crisis in modern society when capitalism and democracy collided leading to new societal configurations and paradoxical outcomes for democracy. These moments, briefly characterised, are: the crisis of the 1870s, which saw the first crisis of economic liberalism leading to the rise of the protectionist state; the crisis of 1929 and the Great Depression which finally saw the emergence of Keynesianism since 1945; the crisis of 1973 which saw the crisis of preceding era of ‘democratic capitalism’ and the rise of neoliberalism; the crisis of 2008 in which the neoliberal order imploded but with uncertain outcomes. Since the crisis of 2007/8 a fundamental shift in perspective is needed, since it is now apparent that there are major contradictions and paradoxes in the relationship between capitalism and democracy. The former has undermined the latter. The shock of Brexit and Trump has deepened this sense of crisis, which cannot be seen either as the victory of capitalism or democracy.

An intermediate conclusion is that the present time is characterised by a deep uncertainty as to the future. This mood of uncertainty is probably more a defining condition of our time than the ideology of *homo economicus*. The quest for social justice and for meaningful forms of democratic empowerment are not silenced. While democracy is constantly thwarted by big business and the apparent penetration of capitalism into human subjectivity invalidates some of the presumptions of humanist Marxism, the moral and political horizons of societies can never be entirely closed. In view of these considerations, the question of the future of capitalism can now be addressed.

Five Scenarios of the Future of Capitalism

The first and most general point is that it is now more clear than ever that there is no single trajectory for capitalism. Economies do not progress along linear paths. Although Marx in earlier writings referred to a succession of modes of production, his mature thought, as reflected in, for example the Marx-Zasulich correspondence, revealed a more nuanced view of non-European trajectories of capitalism. While the received Marxist view that capitalism will come to an end simply because all modes of production come to an end, can be criticised from such a perspective, it should be noted that Marx himself saw a postcapitalist society as

arriving quite far into the future, which is presumably why he distinguished between socialism and – a more distant in the future – communism. It is now widely accepted that slavery did not end with the demise of the ancient modes of production but was perpetuated by modernity and by capitalism and today takes new and incipient forms. Capitalism existed prior to the modern capitalist economy and is unlikely simply to vanish in the near future. There is also no reason to suppose that a post-capitalist society will be more desirable or democratic. The future is likely to consist of a variety of societal forms. However, in such a variegated world it is possible that the dominant forms of capitalism that until now have prevailed will be much diminished. A second general point can also be stated: just as economic orders will not evolve linearly, so too will political orders likely take a variety of shapes and forms. Today the most obvious example is China where capitalism coexists with the one-party state, which nominally subscribes to communism. While this offers a clear refutation of the end of history thesis, the world-wide diffusion of democracy does not necessarily lead to the triumph of liberal democracy. Democracy, too, exists in a variety of forms (Blokker, 2012). A striking recent development is the consolidation of authoritarian democracy in many parts of the world. This brings me to the first and most likely scenario of the future of democracy.

1). Varieties of Capitalism

The debate about the future of capitalism and its possible collapse has been predicated on the presumption that capitalism takes one major form and that there is one direction of travel leading to its final collapse. This position takes almost no account of one of the most influential sociological approaches to the study of contemporary capitalism, namely the ‘varieties of capitalism’ approach (VoC). While Marx provided a robust theory of capitalism, the Marxist approach has not given sufficient attention to the fact that capitalism is highly variable as an institutional form. Indeed, the huge differences in capitalism have led to many theorists rejecting the label capitalism.

According to Hall and Soskice (2001), in the most well-known account of the VoC argument, capitalist regimes vary greatly. The critical factor for them is the ways in which capitalist firms coordinate actions and the degree of institutional advantage they secure from state policies. They distinguish between two major types of capitalism, liberal market economies and coordinated market economies, with the latter more dependent on non-market relationships of production than the former which depend more on competitive markets. The upshot of the VoC approach is that capitalism differs greatly in national contexts due to institutional advantages that national states offer. The theory suggests that globalisation as a monolithic one-directional trajectory of universal de-regulation is less pervasive in that firms will not automatically offshore when it may be cheaper to do so. Nations can prosper not by adopting neo-liberal policies but by building on institutional advantages. This perspective offers a view on the significant differences between Scandinavian and German experiences, on the one side, and the more liberal models in English speaking world. Other contributions to this debate include Albert’s (1993) contrast of Anglo-Saxon and German, or ‘Rhenan’ capitalism.

While the main contrast in the VoC literature are the differences between neoliberal oriented economies and the European model of what has been referred to as social capitalism (see

Offe, 2006), a wider conception of varieties of capitalism would need to take into account the quite significant differences in neoliberalism, which is not a single monolithic force. The UK and the USA are often taken to be the major examples, but here the differences are very great as are differences between Anglo-Saxon models and those that have emerged in the developing world, where neoliberalism has been arguably more pervasive and where democratisation is weaker (Connell and Dados, 2014).

While the VoC debate has mostly been confined to the OECD countries and micro level analyses of the relationship between firms and state structures, it leaves open the wider global context. Amable (2004), for instance, identified five global forms of capitalism. The future of capitalism cannot be separated from the question of its forms and the diverse ways it interacts with states. Some forms may perish while other types may prosper. It may indeed be the case that the collapse of states will lead to the collapse of the kinds of capitalism that they foster and not due to the inherent problems of capitalism. There is almost no significant instance of capitalist economy that is not tied to the state to support it. Without such a support, capitalism is vulnerable.

One major trend world-wide is export-led industrialisation, especially in Asian countries that have been transformed by the retail revolution in Europe and North America. Hamilton and Shin (2015) question the model of capitalism that Marx provided for East Asian countries. This was an analysis that was based on factory production and on the relations between owners and workers that was centred in European national economies. The resulting bias towards production and nationally delineated economies does not accommodate demand-responsive economies in most developing countries. While they do not speak of an Asian variety of capitalism, they stress the need to see capitalism in a variety of world contexts, but where there are significant global interconnection that establish links with between centres of production and the main sites of consumption.

Looking at capitalism as variegated, it may be objected, does not provide an answer to the question of what its basic form takes. Obviously if something exists in a variety of forms, there must be a common denominator that has undergone variation. The VoC approach does not clarify exactly what is capitalism. Moreover, as the above suggests, the different forms of capitalism are connected through global processes. Thus, while the varieties of capitalism may be very different, they are all interdependent (as is illustrated in the trade war between the US and China). So, it is not a question of a numerical order of different types that exist on their own. Demand for goods in Europe and North America drives industrial production in Asia. As Weber ([1927] 2003) wrote in his *General Economic History*, the history of capitalism itself reveals a variety of forms (see also Kocka 2016). The VoC approach is an essential corrective of simplistic models of a unitary model of capitalism progressing towards a bright future or those that see it heading for the precipice. A very likely trend is that capitalism will morph into a variety of shapes and forms and that some will survive. It may indeed be the case that Asian models will continue to undergo transformation, especially as democratisation in those countries deepens. So, this is in effect a scenario that sees a future for capitalism, though not necessarily a long-term one, since the varieties that survive will probably do so as long as the capitalist world system is in existence.

2). *Systemic crisis of capitalism*

Another scenario of the future of capitalism is that it does not have a future. It will simply come to an end. In line with Marx's prognoses of the future of capitalism due to its inherent self-destructiveness, several theorists have offered new interpretations of the end of capitalism. It is the internal contradictions of capitalism that will bring about its end, and not an external force or the appeal of an alternative economic system. For Marx, it was the falling rate of profit leading to a reduced capacity for growth. Other contradictions included improved technology leading to the over-production of goods that are worth less; the over-supply of credit, which, in combination with technology replacing human labour, leads to goods being produced that do not have enough people who can afford to buy them.

The global financial crisis of 2008/9 marked a new moment of crisis in the history of capitalism and gave a renewed significance to Marx's theory of capitalism over others, such as Weber's or the neoliberal narrative of the triumph of the market. The Weberian legacy – despite in many ways complementing Marx's analysis of capitalism – ultimately had a different story to tell, namely that capitalism will always find ways to solve its problems. Through calculation, planning and rational mastery, capitalism contains within itself solutions to the problems it brings to the modern world. Systemic crises that might engender the demise of capitalism had no place in this approach. The prospect of a systemic crisis of capitalism is also foreign to neo-liberal theory and its canonical doctrine that markets operate through self-correcting pricing mechanisms. Contrary to the Weberian and Marxist positions, according to F. A. Hayek, any attempt to plan the economy would more likely lead to breakdown, since prices – the basis of markets – operate in a context of risk and contingency.

A major work co-authored by Wallerstein and other prominent sociologists has accessed the prospects of capitalism coming to an end in a not too distant future (Wallerstein et al 2013). Wallerstein and Randall Collins in their respective accounts portray capitalism entering into turmoil followed by decline. Collins's argument is more specific and can best summed up first: the process of technological displacement of labour, in particular middle class labour, will in the long-run generate the terminal crisis of capitalism. The various solutions or escapes that capitalism had until now are becoming rapidly closed off. For example, the computerisation of jobs, led to new jobs but now these are also disappearing and not being compensated by the creation of a sufficient number of new ones.

Wallerstein in a far-reaching analysis of the demise of capitalism claims that the capitalist world-system that consolidated over the past five centuries or so will come to an end as do all economic and political systems. His main argument, which is based on the so-called Kondratieff cycles, is that capitalism goes through roughly fifty year periods of boon and slump and that the slumps are getting worse. This is a reversal of the neo-liberal narrative that the booms bring about greater prosperity than the slumps. Capitalism is entering a new systemic crisis in which profits are plummeting. His argument runs against the varieties of capitalism perspective in that for him capitalism is organised on a world level and is not locked into national or even into regional variants. If this were the case, it is conceivably possible for systemic crises to be contained in the way, for example, that the EU has tried to contain the problem of Greek debt. However, there are also hegemonic crises, which are longer than the fifty year Kondratieff cycles, and occur in the transition from one hegemonic order to the next. The decline of the United States as the main hegemonic order brings with it a new crisis.

Capitalism is driven by the relentless accumulation of capital. The maximisation of capital requires a hegemonic order that imposes order on the world so that it is not hindered. States outside the hegemonic order benefit from the existence of a hegemonic power to the extent that they benefit from capitalism. In his analysis, the basic costs of production are rising and the capitalism system as a whole cannot be brought back to equilibrium in that the mechanisms it relied on until now are not available. For these reasons, the possibilities for an endless accumulation of capital are declining. The demise of capitalism is accompanied by a situation in which large numbers of people no longer believe that they are benefiting from capitalism. 'We are consequently living in a structural crisis in which there is a struggle about the successor system' (Wallerstein in Wallerstein et al, 2013: 35).

Wallerstein's prognosis of a deep structural crisis rests on a theory of capitalism that sees the core characteristic of capitalism to be the accumulation of capital. In effect, it is a theory of the systemic crisis of capital accumulation. It does not rule out the survival of capitalism on a more reduced scale and thus of the fourth and fifth scenarios discussed below. However, his notion of a historical systemic crisis describes the ending of one societal system and the transition to another. It is not clear what might come after the present crisis, which may continue for perpetuity. From a more critical perspective, there is a question to be asked whether current developments are indicative of a systemic crisis that portends the end of capitalism. The so-called crisis of capitalism in 2008/9 turned out in many ways to be a crisis of the state. The rise of austerity policies have not endangered capitalism, which recovered remarkably from the financial crisis. Streeck (2014) is undoubtedly correct in describing the current crisis as one of the relationship between capitalism and democracy. However, the crisis of democratic capitalism or in the terms of Habermas (1976), a legitimization crisis, does not necessarily signal a terminal crisis of capitalism. It is essentially a political crisis and may take the form of a crisis of governability. The notion of a systemic crisis, on the other hand, is an economic crisis that unfolds in the long-term. Such a prognosis might then be seen as compatible with other views that focus on the short-term (including the VoC approach). However, the problem with purely systemic accounts of crisis is that they do not adequately address other dimensions of crisis, such as the uncoupling of democracy from capitalism, new expressions of populism or mass mobilization against the super-rich.

3). *Catastrophic Collapse*

The notion of a systemic crisis of capitalism is based on a view of the internal dynamics of the capitalist economy leading in time to the end of capitalism. An alternative scenario can be briefly considered, namely the possibility of global catastrophe. The most obvious possibility is an ecological crisis resulting from severe climatic change. Such an occurrence would not be entirely an external cause, since capitalism has been one of the major causes of climate change and, as Marx recognised, economic activity is embedded in nature (see Moore 2016). However, ecological catastrophe is not in itself a systemic crisis, as normally understood, but a crisis in the relation of human societies with the planet.

Other possible catastrophic crises that might lead to the collapse of capitalism are biological, for example the global spread of a deadly virus, or nuclear war. It should be recalled that the world's single greatest catastrophe was the Spanish Flu that killed between 50 to 100 million people in 1918 /19. While this did not endanger capitalism as such, it had huge economic and

more importantly political consequences, for example between 13 to 18 million people died in India as a result of the flu. It paved the way to independence of India and to the world-wide creation of healthcare systems (see Spinney 2018). While these developments can also be seen as functional to the long-term requirements of capitalism, they nonetheless had the potential to be catastrophic for all societal systems. The twentieth century was fundamentally changed as a result of the epidemic and it is therefore possible to imagine how a future epidemic, made possible by an even more interconnected world, would have similar consequences.

Now, while none of these catastrophes can be excluded in principle it is difficult to see how worst case scenarios of climate change – for example global increase in temperature of 2 to 4 degrees – will lead to the collapse of capitalism. Such events would be catastrophic for many parts of the world leading to major displacement of populations and rises in sea –levels would affect most parts so the world and possibly lead to the collapse of some states. However, it is not evident that capitalism would collapse unless a much longer term of 50 to 100 years were taken when ecological crisis may be reach a level that endangers human societies. Until then, ecological catastrophe is likely to contribute to the long-term systemic crisis of capitalism rather than be in itself the transformative force. As Frederic Jameson remarked in a much cited phrase ‘it is easier to imagine the end of the world than to imagine the end of capitalism’ (Jameson, 2003: 76).

4). *Low Growth Capitalism*

Another scenario that is possibly a more realistic prognosis, at least for the short to medium term of the next twenty to thirty years, is a long period of low growth capitalism bolstered either by an enhanced regulatory order or constrained neoliberal regimes. Predictions of the collapse of capitalism tend to be either premature or long-term. As noted, Marx himself saw it as an event in the distant future. The foreseeable future, based on current trends, is more likely to be one of the continued transformation of neoliberalism but within the limits of low growth, if not stagnation. Predictions of the end of capitalism neglect the fact that capitalism is highly resilient. It is capable of considerable flexibility and the fact that it is crisis prone does not mean that a crisis portends its demise. Rather than one big crisis that will bring about the end of capitalism, there is a series of crises and the resolution of one generates another. Crises can in fact be a necessary part of capitalism.

As Harvey and others have argued, the need for capitalism to find new sources of capital led to the extension of easy credit to the working class until it led to the crisis of private debt which imploded in 2008 with the subprime mortgage crisis in the USA after reaching unsustainable levels. Thus, in Harvey’s words, ‘crisis tendencies are not resolved but moved around.’ Crises also function as ‘irrational rationalisers’ of a system that is inherently contradictory. ‘Crises are, in short, as necessary to the evolution of capitalism as money, labour, power and capital itself’ (Harvey, 2010: 117). David Kotz (2017) argues that if neoliberal accumulation continues it will lead to a future of stagnation and instability. This situation is vividly apparent with the election of Trump and Brexit. Both events in 2016 can be seen as the expression of stagnant economies that saw a fall in the real value of wages and declining opportunities and quality of life for many low income people. The political outcomes with the Trump presidency and Brexit lead in turn to political instability. But

neoliberal capitalism, despite some modifications, is basically in place. ProBrexit politicians in the UK thus seek to free the UK from the regulatory structure of European integration in order to make the UK a global free trading nation even if in the short-term there will be economic havoc and social mayhem since, from their perspective, an unfettered capitalism will triumph in the long-run.

The reality of neoliberal capitalism is that it can readily adapt to changing circumstances. While neoliberalism has lost much of its ideological zeal, its policy consequences are with us (Crouch 2011). Many governments rely on neoliberal policies in some form or another. Low or zero growth economies will lead to increased unemployment that will be eased only by the rise of low paid temporary and insecure forms of employment (Doogan 2009; Sennett, 2006). Meanwhile the super-rich will retain their privileges and global inequality will not decline significantly. The reality of capitalism today, according to Thomas Piketty (2014: 571), is a great contradiction created by the fact that wealth accumulated in the past grows more rapidly than wages and output. It has led the entrepreneur to become a rentier. His analysis shows that the accumulation of wealth has led to divergence in equality, but 'divergence is not perpetual and it is only one of several possible future directions for the distribution of wealth' (p. 27). This conclusion is less apocalyptic than Marx's who predicted zero growth in the long-run. Capitalism can flip the other way leading to greater, not less, regulatory control as reflected in the example of European integration as a stabilizing mechanism to restrain the worse effects of capitalism but without endangering capitalism.

So, a possible future is the continuation of neoliberalism but with increased political instability arising from the on-set of low growth. This, however, may vary greatly throughout the world. The western world is clearly witnessing low growth, but this is not necessarily the case worldwide. While Brazil is in the throes of economic stagnation, this is not the case for India and East Asia. Yet, as these countries become richer, it is likely according to Mann (2013: 97) that global economic growth will slow down due to wider distribution of wealth. The resulting higher costs of labour everywhere will lead to lower profits. Mann disagrees with the notion of a systemic crisis simply on the grounds that societies are not systems but multiple overlapping networks of ideological, economic, military and political networks of interaction. The lines of interaction are not systemic and internal dynamics are not self-contained within a domain such as the economy. This leads him to being more sceptical of a terminal crisis of capitalism. His prognosis is instead for a lower-growth capitalism that reduces global inequality and consequently reduces the prospect of social revolution. The major world revolutionary movements in the world in recent times that have brought about change are religious ones and do not have specific implications for capitalism.

5.) *Post-capitalism*

It is possible to envisage a future in which capitalism – weakened as a result of systemic crises – co-exists with non-capitalist forms of economic organisation. We can call this order 'post-capitalism' to capture the sense of continuity, but also with some significant points of rupture and counter-trends. So, post-capitalism as a term does not designate a condition that is non-capitalist, but only partly capitalist. For the immediate future, for reasons given above, it is difficult to envisage a whole-scale transition to a socialist society or some kind of non-

capitalist society. The political forces that might create it are absent. Future trends are more likely to lead in the direction of a post-capitalist world in which capitalism wanes but does not disappear. Capitalist accumulation may reach its limits for reasons of systemic contradictions but does not undergo a systemic collapse. This vision was set out by Drucker (1994), for whom the future that beckoned was essentially a post-capitalist one in so far as the new economy is a knowledge based one and thus supplants the proletarian based capitalism of industrial capitalism. However, his claims of a technologically driven post-capitalist order do not stand up to much scrutiny, since the reality of the knowledge economy is that it exists within the capitalist mode of production. Nonetheless, technological change could possibly lead the way to a post-capitalist society if it were accompanied by major political transformation that made possible the eradication of many of the problems produced by capitalism.

What if Schumpeter were right? According to Schumpeter, creative destruction, does not mean the end of capitalism but its transformation. While Marx saw the destructiveness of capitalism mostly in negative terms and as the expression of the demise of capitalism, Schumpeter saw destructiveness as potentially creative. Indeed, the history of capitalism bears Schumpeter out to a considerable degree in that major technological innovations have led to the renewal of capitalism. As Beckert argues ‘capitalism is an economic system oriented towards the future’ (2016: 269). It will not be easily defeated by the future. Paul Mason (2017) argues that postcapitalism is a realistic possibility because of major changes brought about by technology. Technology has reduced the need for work. Automation will improve the quality of life for all. There is a remarkable rise of the shared economy, that is goods and services that do not depend on the rule of the market and managerialism (see Elder-Vas, 2016 and 2018). This position is at odds with Collins’s argument discussed above. However, technology alone does not determine the future. It is also a question of how such changes interact with other developments. As argued, capitalism is embedded in social institutions, cultural practices and normative orders, which may generate counter-currents to capitalism.

In the context of, on the one side, the systemic weakening of capitalism and the resulting decline in capitalist accumulation, and, on the other, the reassertion of the democratic constitutional state, the field of tensions that has always defined modernity is once again reconfiguring. Calls for neo-Keynesianism, as in the writing of Joseph Stiglitz and Paul Krugman, for example, have led to considerable rethinking of the merits of neo-liberalism, which no longer enjoys hegemonic status (see also Davies 2015). It is possible to envisage a world in which other and more democratic kinds of economic organisation develop – for example a Universal Basic Income – and co-exist along-side capitalism, thus setting limits to its capacity to shape the world. Such a prospect, again, is more likely if the future is envisaged in terms of multiple paths rather than one direction of travel. This is Calhoun’s position against Wallerstein’s argument of a systemic crisis of capitalism. ‘Capitalism could decline without collapsing, simply organizing less of economic activity as alternative systems organize more’ (Calhoun 2013: 159). In this view, capitalism persists but is less dominant and in time a new economic system might develop. It is possible to see a variation of this argument along the lines of Robert Reich’s claim that capitalism needs to save itself from the most destructive forms of neo-liberal super capitalism (Reich 2015, see also 2008).

The political impact of climate change in the next decade or so may lead to major changes in consumption, which is currently based on the myth of sustainability. It is evident that if current consumption continues, the ecological impact will be catastrophic and reduced consumption may be the only viable option to turbo-charged growth and super-capitalism. If this were to happen, it would lead to reduced capital accumulation and possibly alternative forms of social life. It is very likely that in the age of the Anthropocene ecological challenges to capitalism will be critical in stemming its destructive tendencies. The likelihood of such a development raises once again the question of a new relationship between capitalism and democracy, since it is unlikely that capitalism on its own will lead the way.

Conclusion

Theorising about capitalism and its future has re-activated sociological thought in recent years. The bicentenary of Marx's birth is a fitting occasion to revive the legacy of classical social theory on long-term analyses of capitalism and other related major social and historical transformations. The analysis given in this paper is that any consideration of the future of capitalism will need to clarify a number of points concerning its core elements, since it is not possible to speak of capitalism as a single monolithic entity that has a single future. The origins of capitalism in the transition from feudalism have been much discussed and we have a general picture of the course of capitalism over the past five centuries and of its diffusion over the world.

A challenge for today is to think through the present situation of capitalism. Some of Marx's most important ideas are still relevant, especially concerning the centrality of capitalist accumulation. However, the world that took shape in the second half of the previous century cannot be understood from the historical experience of the nineteenth. Building on recent work by Wallerstein et al, Streeck, Beckert, and others, I have proposed five possible scenarios that sum up current debates on the future of capitalism. These can be roughly divided into perspectives that emphasise transitions to a future non-capitalist world, to breakdown, to transformations of the present. Arguments that emphasise the latter are more convincing in that there is not one end but several ends in sight for capitalism. One likely future will be that, what Robert Reich (2008), has called super-capitalism will be curtailed and there are limits to the accumulation of capital. The end of capitalism is a story about the degree to which its destructiveness can be controlled. The analysis offered in this paper highlights the links between capitalism and other social and political processes, such as democracy, as the points of tension from which crises spring.

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